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TO: UGB / (CIBL) Stakeholder Committee
CC: Dave Reesor and Linda Pauly
FROM: Bob Parker and Beth Goodman
SUBJECT: DRAFT ECONOMIC DEVELOPMENT OBJECTIVES FOR SPRINGFIELD

BACKGROUND

The City of Springfield is developing an economic development strategy (consistent with Goal 9) as part of its efforts to comply with HB 3337. Goal 9 requires cities assess local economic development potential and adopt local economic development objectives. This work will result in an “Economic Opportunities Analysis” document which will provide the foundation for local economic development strategies.

ECONorthwest facilitated a joint City Council/Planning Commission worksession on June 9th to get input from decisionmakers on local economic development objectives and target industries. ECO used the input provided during that meeting, combined with research we are conducting for the economic opportunities analysis (EOA), to develop draft economic development objectives and target industries for Springfield.

This memorandum is organized into three parts:

- Starting assumptions and objectives – provides the context for the draft economic development objectives and target industry list.
- Draft economic development objectives – presents ECO’s first pass at summarizing input gathered to date. We provide this as a framework for discussion and assume that it will change in the coming weeks based on input from the community, the stakeholder committee, and decisionmakers.
- Draft target industries – presents a list of “target” industries or industries that are high priority for the City of Springfield.

We want to be clear that the information presented in this memorandum is in draft form. It will be refined based on input from various groups and eventually brought back to Planning Commission and Council for action. **At this stage we request review and comment to ensure that we are generally moving in a direction consistent with decisionmaker desires.**

STARTING ASSUMPTIONS AND OBJECTIVES

There are many possible economic futures for Springfield. Many of the factors that will determine that future are outside of the City's control: things like the health of the U.S. and Oregon economies, conditions of international trade and migration, and the policies of other cities in the Willamette Valley that encourage or retard growth. But the City of Springfield does have some control over many factors that will affect the type and rate of growth in the City over the next 20 years. It can adopt policies that affect the amount of available land and its price, quality and price of public utilities, and incentives and charges for businesses building and operating in the City.

The challenge for the City is to decide on a future that is not only desirable, but that is also possible given the factors that constrain it. That future is referred to as the City's "economic vision" or "economic development objectives."¹

Based on input received from City Council and the Planning Commission at the June 9th worksession, as well as input from the online community survey, ECO suggests a vision for the future economy of Springfield should be:

- A balance between what the City would like to achieve and what resources and public support the City can realistically expect to muster in support of that vision
- Consistent with state laws
- Understandable to citizens without technical training or experience with economic development
- Capable of being incorporated into the City's land use plan

DRAFT ECONOMIC DEVELOPMENT OBJECTIVES

The 2004 Update of the Eugene-Springfield Metropolitan Area General Plan includes an economic element that articulates the region's economic goals and objectives. The Metro Plan lists a single economic development goal:

Broaden, improve, and diversify the metropolitan economy while maintaining or enhancing the environment.

Based on input ECO has received to date, we do not propose any modifications to this goal. Following is a draft list of potential economic development objectives.

Objectives

1. Provide an adequate supply of sites of varying locations, configurations, and size, to accommodate industrial and other employment over the planning period, as identified in the Springfield Economic Opportunities Analysis.

¹ In this memorandum, the terms "economic vision" and "economic development objectives" are synonymous.

2. Provide an adequate competitive short-term supply of suitable land to respond to economic development opportunities as they arise. "Short-term supply " means suitable land that is ready for construction within one year of an application for a building permit or request for service extension. "Competitive Short-term Supply" means the short-term supply of land provides a range of site sizes and locations to accommodate the market needs of a variety of industrial and other employment uses.
3. Reserve enough large sites for special developments and industries that require large sites.
4. Maintain existing types and levels of industrial and other employment uses in Springfield.
5. Encourage employers to locate in downtown Springfield, where appropriate.
6. Encourage redevelopment of Glenwood with a mixed use employment and housing center.
7. Recruit businesses that pay higher than average wages for the region (as reported by the Oregon Employment Department).
8. Encourage local residents to develop skills and other educational attributes that enable them to obtain existing jobs.
9. Increase the potential for employment in one of the regional industry clusters: Communication Equipment, Information Technology (Software), Metals (Wholesalers), Processed Food and Beverage, Wood & Forest Products, Transportation Equipment
10. Encourage development of health-care related services to compliment the PeaceHealth development in the Gateway area.
11. Increase the potential for convention- and tourist-related economic activities.
12. Increase the potential for employment in industries related to information technology.
13. Encourage neighborhood commercial uses, as appropriate, in low-density residential areas.
14. Encourage opportunities for employment close to residences, including mixed-use development.
15. Provide the necessary public facilities and services to allow economic development.

APPENDIX A: METRO PLAN ECONOMIC ELEMENT (2004)²

In recent years, there has been a strong structural shift in the Eugene-Springfield metropolitan area's economy. This shift is characterized by four trends: (a) a decline in the lumber and wood products industry as a source of employment; (b) limited increase in employment in other manufacturing activities; (c) diversification of the non-manufacturing segments of the local economy, primarily in trade, services, finance, insurance, and real estate; and (d) the development of this metropolitan area as a regional trade and service center serving southern and eastern Oregon.

The decline in lumber and wood products and diversification of the non-manufacturing sectors are consistent with changes that are occurring in other portions of the state and throughout the nation as a result of rising real incomes and higher productivity of labor in manufacturing. The increase in employment in other manufacturing activities in this area has lagged behind other portions of the state, particularly the Portland area, and many other places in the nation. Given the projected growth in this area's economy, it is essential that an adequate supply (quantitatively and qualitatively) of commercial and industrial land be available. An adequate supply of land includes not only sites sufficient in size to accommodate the needs of the commercial or industrial operations (including expansion), but also includes sites which are attractive from the standpoint of esthetics, transportation costs, labor costs, availability of skilled labor, natural resource availability, proximity to markets, and anticipated growth of local markets.

In striving toward the Land Conservation and Development Commission's (LCDC) Statewide Planning Goal 9: Economic Development, "To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens," the Eugene-Springfield metropolitan area must take advantage of and encourage the further diversification of this area's economic activities and role as a regional center.

This diversification and growth can improve the opportunities for presently underutilized human resources and generally raise the standard of living for metropolitan area residents.

Implicit in the goals and objectives that follow is the premise that the economic health of the area is integrally related to the quality of life for residents. Improved welfare of the residents of the metropolitan area, measured by increases in employment opportunities and reductions in unemployment, increases in real incomes, and improved environmental quality are the ultimate goals of all economic efforts. Economic growth or industrial expansion is acceptable when it is consistent with these goals and objectives.

ECONOMIC GOAL

Broaden, improve, and diversify the metropolitan economy while maintaining or enhancing the environment.

² This appendix is the Economic Element from the 2004 update of the Metropolitan Area General Plan.

FINDINGS, OBJECTIVES, AND POLICIES

Findings

1. The structure of the Eugene-Springfield metropolitan area economy is undergoing a shift away from lumber and wood products manufacturing (and other heavy industrial activities) and towards a more diverse economic base characterized by growth in light manufacturing activities and the non-manufacturing activities of trade, commercial and professional services, finance, insurance, and real estate.
2. The lumber and wood products sector is the metropolitan area's dominant manufacturing activity; and in this respect, Lane County's forest is the area's most important natural resource utilized as a factor of production.
3. Major institutions in the metropolitan area including the University of Oregon and Sacred Heart Hospital, have had a stabilizing influence on the local economy.
4. The Eugene-Springfield metropolitan area is developing as a regional center for activities, such as tourism, distribution, and financial services, serving the southwestern and central Oregon area.
5. Based on data from the 2000 U.S. Census, the per capita income in 1999 for the Eugene- Springfield metropolitan area was lower than for Oregon as a whole and the Portland metropolitan area.
6. In 2000, the unemployment rate in the Eugene-Springfield metropolitan area was comparable to Oregon and higher than the national rate.
7. Historically, heavy-manufacturing industries, including primary metals, chemicals and paper, have been characterized by high levels of pollution or energy consumption. Changes in technology and environmental regulations have reduced the potential environmental impacts of these industries. Heavy manufacturing industries provide benefits, such as relatively high wage scales and the potential for generating secondary manufacturing activities.
8. Both expansion of existing businesses through use of local capital and entrepreneurial skills and the attraction of new employers offer realistic opportunities for economic development.
9. The healthful environment of the metropolitan area can help attract industrial development, hold workers, and attract convention- and tourist-related economic activities. The concern for clean air and water is high priority with area residents.
10. The provision of adequate public facilities and services is necessary for economic development.
11. There are presently inefficiently used resources in the metropolitan area, including land, labor, and secondary waste products.
12. Major employment areas include the Eugene and Springfield central business districts, the University of Oregon area, Sacred Heart Hospital, the west Eugene industrial area, the north (Gateway) and south Springfield industrial areas, the Highway 99N industrial area, Country Club Road, Chad Drive, and the Mohawk-Northgate area.
13. The metropolitan economy is made up of a number of interrelated and important elements, one of which is construction and construction-related activities. Construction, for example, is essential for all sectors of the economy, as well as for the provision of an adequate supply of affordable housing.
14. The mixture of commercial and office uses with industrial uses can reduce or enhance the utility of industrial areas for industrial purposes, depending upon circumstances.

Uncontrolled mixing creates problems of compatibility and traffic congestion, and may limit the area available for industrial development. Limited mixing, subject to clear and objective criteria designed to minimize or eliminate incompatibility, traffic problems, and which preserve the area for its primary purpose, can make an industrial area more pleasant, convenient, economical, and attractive as a place to work or locate.

15. Campus industrial firms prefer city services.
16. Campus industrial firms have varied site location requirements, prefer alternative sites to choose from, and usually benefit from location of other special light industrial firms within the community and within the same industrial development.

Objectives

1. Improve the level, stability, and distribution of per-capita income for metropolitan residents.
2. Reduce unemployment in the resident labor force, especially chronic long-term unemployment.
3. Encourage local residents to develop skills and other educational attributes that would enable them to obtain existing jobs.
4. Promote industrial and commercial development with local capital, entrepreneurial skills, and experience of the resident labor force, as well as with new light manufacturing companies from outside the metropolitan area.
5. Supply an adequate amount of land within the urban growth boundary to accommodate: (a) the diversifying manufacturing sector (especially low polluting, energy-efficient manufacturing uses); and (b) the expansion of the metropolitan area as a regional distribution, trade, and service center.
6. Maintain strong central business districts to provide for office-based commercial, governmental, and specialized or large-scale retail activities.
7. Ensure compatibility between industrial lands and adjacent areas.
8. Reserve enough remaining large parcels for special developments requiring large lots.
9. Increase the potential for convention- and tourist-related economic activities.
10. Provide the necessary public facilities and services to allow economic development.
11. Attempt to find ways to more effectively use inefficiently used resources such as land, labor, and secondary waste products.
12. Provide for limited mixing of office, commercial, and industrial uses subject to clear, objective criteria which: (a) do not materially reduce the suitability of industrial, office, or commercial areas for their primary use; (b) assure compatibility; and (c) consider the potential for increased traffic congestion.

Policies

- B.1 Demonstrate a positive interest in existing and new industries, especially those providing above average wage and salary levels, an increased variety of job opportunities, a rise in the standard of living, and utilization of our existing comparative advantage in the level of education and skill of the resident labor force.
- B.2 Encourage economic development, which utilizes local and imported capital, entrepreneurial skills, and the resident labor force.

- B.3 Encourage local residents to develop job skills and other educational attributes that will enable them to fill existing job opportunities.
- B.4 Encourage the continuance of career preparation and employment orientation for metropolitan area residents by the community's educational institutions, labor unions, businesses, and industry.
- B.5 Provide existing industrial activities sufficient adjacent land for future expansion. B.6 Increase the amount of undeveloped land zoned for light industrial and commercial uses correlating the effective supply in terms of suitability and availability with the projections of demand.
- B.7 Encourage industrial park development, including areas for warehousing and distributive industries and research and development activities.
- B.8 Encourage the improvement of the appearance of existing industrial areas, as well as their ability to serve the needs of existing and potential light industrial development.
- B.9 Encourage the expansion of existing and the location of new manufacturing activities, which are characterized by low levels of pollution and efficient energy use.
- B.10 Encourage opportunities for a variety of heavy industrial development in Oregon's second largest metropolitan area.
- B.11 Encourage economic activities, which strengthen the metropolitan area's position as a regional distribution, trade, health, and service center.
- B.12 Discourage future *Metro Plan* amendments that would change development-ready industrial lands (sites defined as short-term in the metropolitan *Industrial Lands Special Study*, 1991) to non-industrial designations.
- B.13 Continue to encourage the development of convention and tourist-related facilities.
- B.14 Continue efforts to keep the Eugene and Springfield central business districts as vital centers of the metropolitan area.
- B.15 Encourage compatibility between industrially zoned lands and adjacent areas in local planning programs.
- B.16 Utilize processes and local controls, which encourage retention of large parcels or consolidation of small parcels of industrially or commercially zoned land to facilitate their use or reuse in a comprehensive rather than piecemeal fashion.
- B.17 Improve land availability for industries dependent on rail access.
- B.18 Encourage the development of transportation facilities which would improve access to industrial and commercial areas and improve freight movement capabilities by implementing the policies and projects in the *Eugene-Springfield Metropolitan Area Transportation Plan (TransPlan)* and the *Eugene Airport Master Plan*.
- B.19 Local jurisdictions will encourage the allocation of funds to improve transportation access to key industrial sites or areas through capital budgets and priorities.
- B.20 Encourage research and development of products and markets resulting in more efficient use of underutilized, renewable, and nonrenewable resources, including wood waste, recyclable materials, and solar energy.
- B.21 Reserve several areas within the UGB for large-scale, campus-type, light manufacturing uses. (See *Metro Plan* Diagram for locations so designated.)
- B.22 Review local ordinances and revise them to promote greater flexibility for promoting appropriate commercial development in residential neighborhoods.
- B.23 Provide for limited mixing of office, commercial, and industrial uses under procedures which clearly define the conditions under which such uses shall be permitted and which: (a) preserve the suitability of the affected areas for their primary uses; (b) assure compatibility; and (c) consider the potential for increased traffic congestion.

- B.24 Continue to evaluate other sites in and around Springfield and Eugene for potential light-medium industrial and special light industrial uses, as well as potential residential uses.
- B.25 Pursue an aggressive annexation program and servicing of designated industrial lands in order to have a sufficient supply of “development ready” land.
- B.26 In order to provide locational choice and to attract new campus industrial firms to the metropolitan area, Eugene and Springfield shall place as a high priority service extension, annexation, and proper zoning of all designated special light industrial sites.
- B.27 Eugene, Springfield, and Lane County shall improve monitoring of economic development and trends and shall cooperate in studying and protecting other potential industrial lands outside the urban boundary.
- B.28 Recognize the vital role of neighborhood commercial facilities in providing services and goods to a particular neighborhood.
- B.29 Encourage the expansion or redevelopment of existing neighborhood commercial facilities as surrounding residential densities increase or as the characteristics of the support population change.
- B.30 Industrial land uses abutting the large aggregate extraction ponds north of High Banks Road in Springfield shall demonstrate that they require the location next to water to facilitate the manufacture of testing of products made on-site.